

**STATEMENT OF
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DEPARTMENT OF VETERANS AFFAIRS (VA)
BEFORE THE
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES**

AUGUST 14, 2014

Good afternoon Chairman Miller and distinguished members of the panel. Thank you for the opportunity to discuss the VA Black Hills Health Care System's (VA BHHCS) commitment and accomplishments in providing Veterans accessible, high quality, patient-centered care and to specifically address rural health care and access to care in western South Dakota, northwestern Nebraska, eastern Wyoming, and a portion of southwestern North Dakota. I am accompanied today by Mr. Stephen DiStasio, Director of the VA BHHCS.

VA Black Hills Health Care System Overview

VA BHHCS provides primary and specialty medicine, extended care and rehabilitation services, surgical and other specialty care, and mental health services, as well as residential rehabilitation treatment programs. VA BHHCS is a part of Veterans Integrated Service Network (VISN) 23, the VA Midwest Health Care Network, which includes facilities in South Dakota, North Dakota, Nebraska, Iowa, Minnesota, and portions of neighboring states.

VA BHHCS consists of two medical centers located at Hot Springs and Fort Meade, South Dakota (approximately 90 miles apart); and VA staffed Community-Based Outpatient Clinics (CBOC) located in Rapid City and Pine Ridge, South Dakota, and Newcastle, Wyoming. Contract CBOCs are located in Pierre, Winner, Mission, Eagle Butte, Isabel, and Faith, South Dakota, and Gordon and Scottsbluff, Nebraska. Compensated Work Therapy (CWT) programs are located in McLaughlin, Eagle Butte, and Pine Ridge, South Dakota, serving Veterans on the Standing Rock, Cheyenne River,

and Pine Ridge Indian Reservations. In addition, Transitional Residences are located in Rapid City, Sturgis, Pine Ridge and Hot Springs, South Dakota. VA BHHCS also has collaborative relationships with the Vet Centers in Rapid City and Martin, South Dakota.

The VA BHHCS – Fort Meade Campus is identified as a rural medical center and the VA BHHCS – Hot Springs Campus is recognized as a highly rural medical center. The VA BHHCS has a service area of approximately 100,000 square miles covering parts of four states. The Hot Springs VA Medical Center is located in a community of approximately 3,900 residents. The Fort Meade VA Medical Center is located in the community of Sturgis with approximately 6,300 total residents.

In FY13, based on calculations by VA's National Center for Veterans Analysis and Statistics for Veteran Population, there were approximately 35,000 total Veterans within the VA BHHCS service area. Of the 35,000, approximately 21,000 were enrolled for health care services, and 19,207 of the enrolled unique Veterans were served. This reflects an enrolled penetration rate of almost 60 percent in FY13, one of the highest in VHA.

There are approximately 1,033 dedicated VA staff members at the VA BHHCS who demonstrate their commitment to the care of Veterans every day. Often, employees travel to remote locations throughout the area to provide primary care, mental health, and other services to Veterans.

VA BHHCS maintains 459,000 square feet and 77 acres of property at Hot Springs and 821,000 square feet and 220 acres at Fort Meade. Maintaining and improving the aging buildings at the Fort Meade and Hot Springs Medical Centers, ranging from 40 to over 100 years old, significantly increases the cost of operation at both facilities.

- Existing operating rooms at the Fort Meade and Hot Springs VA hospitals are reaching 40 years of age.
- The current Residential Rehabilitation Treatment Program (RRTP) building at Hot Springs is over 100 years old, and the structure is not compliant with the Architectural Barriers Act.
- The Hot Springs and Fort Meade campuses are both sites of historical significance. Hot Springs is the Battle Mountain Sanitarium National Historic

Landmark, with a proud history of caring for Veterans extending back to the early 1900s. The Fort Meade cavalry post is known for its significant military presence, extending back to the 1880s.

VA BHHCS has the highest costs, per unique patient, of all VISN 23 facilities and one of the highest unit costs in all of VHA. In addition to the factors previously mentioned, this cost derives from a number of operational and infrastructure variables, the ratio of staff to Veterans served, and utility and maintenance costs of extensive buildings/acreage.

VA Black Hills' Proposal for Reconfiguration

VA BHHCS is committed to providing safe, high-quality, and accessible health care to the Veterans in western South Dakota and areas of the bordering states of Nebraska, Wyoming, and North Dakota. We have conducted a review of the services provided in this region. The Department has determined that improvements and reconfigurations to VA BHHCS operations are needed to maintain the safety and quality of care it provides. We also believe this will increase the scope of services available to Veterans closer to their homes, while being good stewards of public funds.

VHA is concerned about its ability to preserve the quality and safety of care at Hot Springs. The Hot Springs Inpatient Medicine Unit (1East) has maintained a cumulative Average Daily Census (ADC) of approximately 5 patients per day from FY 2010 to present. In these circumstances, it is difficult to recruit and retain skilled providers as well as maintain their competencies. As a result, surgical procedures at Hot Springs have been curtailed due to an inability to recruit and retain surgeons and anesthesia providers. In addition, all of the hospitalists and after-hours physicians are currently locum tenens providers, or temporary staff hired on contract to fill staffing needs.

The most significant change proposed by VA BHHCS involves replacing the current medical center in Hot Springs with a new CBOC, and relocating the residential rehabilitation treatment program from Hot Springs to Rapid City, South Dakota. The

overall goal of the reconfiguration is to realign services and resources, to provide safe, high quality, accessible, and cost-effective care, closer to where Veterans live.

In 2011, VA BHHCS began holding stakeholder meetings with Veterans, Veteran advocates, congressional offices, employees, community and business leaders, and the general public. VA conducted these meetings to answer questions, address concerns, and seek feedback to the proposals. On October 10, 2012, the Network and Facility Director briefed VA's Secretary and his staff on the feedback received, alternative proposals received, and potential alternatives for consideration. At the invitation of South Dakota Senator Tim Johnson, the Secretary met with representatives from the community of Hot Springs, and staff from the offices of Senator John Thune and Congresswoman Kristi Noem, in Washington, DC on January 28, 2013. A follow-up meeting was held on May 6, 2013, with VA Central Office subject matter experts and community representatives to provide those representatives with a better understanding of the data VA used to develop and support the reconfiguration proposal.

VA BHHCS initiated an Environmental Impact Statement (EIS) in early 2014, to evaluate the impact of the proposed reconfiguration of care in the Black Hills service area. VA has contracted Labat Environmental, Inc. through the required federal contracting process to assist VA with conducting the EIS process, including scoping, consultation, public involvement, EIS preparation, and finalization. In June 2014, ten public scoping meetings were held during this process at locations in South Dakota, Nebraska, and Wyoming. Additional public meetings will be conducted as the process continues. The EIS process is expected to take approximately 10-18 months, with a current completion date targeted for late 2015. Once the EIS is complete, the VA Secretary can make a decision regarding the proposed reconfiguration.

Focus on Access

VA BHHCS leadership is committed to preserving access to health care services. To be transparent and make optimal decisions regarding Veteran care, VA has openly shared access and quality data with stakeholders. Access is a challenge for a variety of reasons. VA BHHCS sites of care are insufficient to provide ready access to care for all Veterans within the large, highly rural service area. The limited availability of specialists

is also a barrier, requiring some Veterans to travel to VA sites in Minneapolis, Minnesota, or Omaha, Nebraska, for needed specialty care. The recruitment and retention of physicians, nurses, and other health care providers has also been difficult, with physician specialists in orthopedics, urology, psychiatry, internal medicine, and inpatient hospitalists particularly problematic.

To address these challenges, VA BHHCS has expanded the use of non-VA care to provide access to services locally and shorten waiting times. This year, VA BHHCS is estimated to spend thirty-five million dollars for non-VA care, including inpatient, outpatient, and long-term care. A major benefit to Veterans has been the reduction of travel to VA tertiary care sites in Minneapolis, Minnesota, and Omaha, Nebraska; the reduction of out-of-pocket travel expenses for Veterans and their families; and the opportunity to be close to home when receiving medical care and services.

In addition, VA BHHCS has steadily increased the utilization of telehealth services. Mental health, clinical pharmacy, cardiology, oncology, infectious disease, pulmonary, neurology, and other specialty services are provided to Veterans in Hot Springs via Clinical Video Telehealth. Through the end of FY 2014's third quarter, 1,153 Clinical Video Telehealth encounters have been completed.

We are also working to improve communication with Veterans about appointment scheduling. VA BHHCS' efforts to bundle appointments for Veterans, ensure that appointment letters are accurate, and that the telephone reminder system is used, are helping to reduce the current 10 percent no-show rate.

The opening of a system-wide call center is providing Veterans the opportunity to get timely help with appointments, medication management, billing questions, and other matters. The center has been so successful that it now provides similar services for the Veterans served by the Fargo VA Health Care System. In addition, other VA facilities have inquired about VA BHHCS providing call center support to their Veterans. Repeatedly, Veterans tell me how the call center makes it easier for them to conduct business with VA BHHCS.

We consider an important part of access to be outreach to Veterans who may be unaware of the scope of services for which they might be eligible. VA BHHCS conducts numerous outreach events throughout our service area, with particular emphasis on the

four Native American reservations, Cheyenne River, Pine Ridge, Rosebud, and Standing Rock. Special attention is also given to Veterans of Operation Enduring Freedom, Operation Iraqi Freedom, and Operation New Dawn (OEF/OIF/OND). Due to the large geographic service area, VA collaborates with other military, Veteran, and community service providers, to ensure Veterans and their families receive the care they need. Specialty OEF/OIF/OND case managers are assigned to provide outreach to Veterans who live great distances from our main medical facilities, including those who are assigned to an outlying CBOC. Additionally, a Transition Patient Advocate works with the OEF/OIF/OND team assisting in an array of outreach efforts that facilitate integration of care for all generations of Veterans. Post deployment integrated care is available through the Patient Aligned Care Team Transition Clinic, a mobile team providing care at Fort Meade, Hot Springs, and the Rapid City Clinic. This team is staffed by a mid-level provider and a licensed practical nurse and is supported with a Medical Support Assistant for scheduling duties. As of this year, this clinic continues to serve the ongoing primary care needs of about 1,100 combat Veterans.

As a result of the many actions taken to improve timely access to care:

- Ninety one percent of new and established Veteran patients receiving direct care from VA BHHCS get an appointment within 30 days.
- As of August 4, 2014, there are only four Veterans on the Electronic Wait List (EWL). The EWL count is the total number of all new patients (i.e., those who have not been seen in a specific clinic in the previous 24 months) for whom appointments cannot be scheduled in 90 days or less.
- As of August 2, 2014, there are no Veterans on the New Enrollee Appointment Request (NEAR) List. The NEAR List is the total number of newly-enrolled Veterans, who have asked for an appointment during the enrollment process for whom an appointment has not yet been scheduled.

VA-Department of Defense (DoD) Sharing Agreement

The VA BHHCS' sharing program with DoD helps support a strong collaboration with VA and Ellsworth Air Force Base (AFB) leadership. VA continues to search for additional opportunities to share resources with DoD while improving cost effectiveness

and efficiency in the provision of patient care. We are concentrating on the areas of radiology, dermatology, chronic pain management, and mental health. In 2005, VA BHHCS and Ellsworth AFB successfully submitted a Joint Incentive Fund (JIF) proposal to purchase a Magnetic Resonance Imaging (MRI) system for VA and DoD to share. The agencies received \$2 million from the JIF, to use for this purpose. In 2007, VA BHHCS and Ellsworth AFB successfully completed a JIF proposal for a Sleep Lab, and received \$443,000 for this purpose. In June 2011, VA BHHCS, Ellsworth AFB, and VA Dakota's Regional Office initiated disability examinations for active duty service members, through the Integrated Disability Examination System. More recently VA BHHCS is providing some surgical care and inpatient mental health services for active-duty military members through a local sharing agreement with Ellsworth AFB.

Projects in development include more robust provision of dermatology, pain management, physical therapy, and laboratory services. When a new Rapid City CBOC is opened, co-locating some VA and DoD services will provide improved access and services for Veterans, active-duty members, and their family members.

VA – Indian Health Services (IHS) Sharing Opportunities

VA BHHCS has taken the leadership role in the VISN 23 implementation of the national VA-IHS Reimbursement Agreement, under which VA reimburses IHS for direct care services provided to eligible Native American Veterans in IHS facilities. VA BHHCS has developed strong relationships with the IHS and Tribal Health entities in Pine Ridge, Rosebud, Eagle Butte, and Rapid City, South Dakota, within the guidelines of the Reimbursement Agreement and is a leading VA facility in the amount of direct reimbursement to IHS facilities. A local sharing agreement with IHS supports non-Veteran Native American access to MRI services at Hot Springs. VA BHHCS also supports the direct referral of Native American Veterans seen in IHS facilities to VA specialty clinics, saving the Veteran an additional appointment with their primary care provider.

Projects under consideration include the provision of mobile MRI/Computerized Tomography services to multiple IHS hospital sites, a jointly operated telehealth network

for access to scarce medical specialists, and a potential fee-for-service arrangement for a Tribal Health-operated mobile clinic.

Other Sharing Opportunities

VA BHHCS enjoys positive relationships with other governmental agencies in the surrounding areas, and actively participates in the local community. VA BHHCS is the largest employer in both Sturgis and Hot Springs, South Dakota. VA BHHCS has strong relationships with the South Dakota State Veterans Home in Hot Springs; the Veterans Outreach Center in Rapid City, South Dakota; the Ellsworth AFB outside Rapid City, South Dakota; and the South Dakota and Nebraska Army National Guards. Through a lease agreement, the Fort Meade VA Medical Center campus hosts the South Dakota Army National Guard 196th Regiment, which serves as a nationwide training center for hundreds of National Guard leaders every year.

In addition, VA BHHCS has a positive and mutually supportive relationship with the single non-profit hospital system in western South Dakota, the Regional Health System, and its affiliated health care centers.

There have been preliminary discussions with multiple community hospitals in South Dakota, Nebraska, and Wyoming, about establishing sharing agreements to care for Veterans. To date no sharing agreements have been completed; pending the decision on the reconfiguration proposal.

Conclusion

VA BHHCS is committed to providing high-quality care and services for our Veterans. We continue to focus on improving Veterans' access to care. Our location in a highly rural landscape presents VA with some of the same challenges faced by other health care systems in highly rural areas. The most significant of these is the ability to recruit and retain highly-skilled physicians and nurses. Throughout our service area, the scarcity of primary care providers and hospitalists is acute.

We sincerely appreciate the opportunity to appear before this distinguished panel to share with you the great work that the VA BHHCS provides to our Nation's heroes

every day. We are pleased to respond to any questions or comments that you may have.